

\_\_\_\_\_ BILL NO. \_\_\_\_\_

INTRODUCED BY \_\_\_\_\_

(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A HEALTH PROFESSIONAL LOAN FORGIVENESS PROGRAM; ESTABLISHING A STATUTORY APPROPRIATION FOR THE HEALTH PROFESSIONAL LOAN FORGIVENESS PROGRAM; AMENDING SECTION 17-7-502, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 17-7-502, MCA, is amended to read:

**"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-407; 5-13-403; 10-2-603; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-113; 15-1-121; 15-23-706; 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-304; 18-11-112; 19-3-319; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-4-202; 23-4-204; 23-4-302; 23-4-304; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; [section 7]; 37-43-204; 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-1-504; 44-12-206; 44-13-102; 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-1-115; 90-1-205; 90-3-1003; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued

pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch. 481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; pursuant to sec. 7, Ch. 314, L. 2005, the inclusion of 23-4-105, 23-4-202, 23-4-204, 23-4-302, and 23-4-304 becomes effective July 1, 2007; and pursuant to sec. 17, Ch. 593, L. 2005, the inclusion of 15-31-906 terminates January 1, 2010.)"

**NEW SECTION. Section 2. Health professional loan forgiveness program.** There is a health professional loan forgiveness program administered through the office of the commissioner of higher education. The program must provide for the direct repayment of educational loans of eligible healthcare professionals in accordance with [sections 2 through 7].

**NEW SECTION. Section 3. Definitions.** For purposes of [sections 2 through 7], unless the context requires otherwise, the following definitions apply:

(1) "Educational loans" means all loans made pursuant to a federal loan program, except federal PLUS loans, as provided in 20 U.S.C. 1078-2.

(2) "Federal loan program" means educational loans authorized by 20 U.S.C. 1071, et seq., 20 U.S.C. 1087a, et seq., and 20 U.S.C. 1087aa, et seq.

(3) "Health professional" means a person licensed by the state to engage in the practice of medicine, dentistry, osteopathy, podiatry, or optometry or a certified advanced practice registered nurse as described in 37-8-102.

(4) "Health professional shortage area" means those areas designated under 42 U.S.C. 254(e) as an urban or rural area that has a health personnel shortage and that is not reasonably accessible to an adequately served area.

1        **NEW SECTION. Section 4. Critical health professional shortage areas.** The commissioner of higher  
2 education shall identify:

3            (1) geographic regions of the state that are health professional shortage areas; and

4            (2) health professionals who are working in an impacted geographic region and who are eligible for  
5 repayment of all or part of the health professionals' outstanding educational loans existing at the time of  
6 application, in accordance with the eligibility and award criteria established under [sections 2 through 7].

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8        **NEW SECTION. Section 5. Loan repayment assistance.** Loan repayment assistance may be provided  
9 on behalf of a qualified health professional who:

10           (1) is employed in a geographic region described in [section 3(1)] within 1 year from graduation; and

11           (2) has an educational loan, which is not in default, with a minimum unpaid current balance of at least  
12 \$1,000 at the time of the application.

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14        **NEW SECTION. Section 6. Loan repayment assistance documentation.** (1) A qualified health  
15 professional shall submit an application for loan repayment assistance to the commissioner of higher education  
16 in accordance with adopted policies and procedures. The application must include official verification or proof of  
17 the applicant's total unpaid accumulated educational loan debt and other documentation required by the  
18 commissioner of higher education that is necessary for verification of the applicant's eligibility.

19           (2) A qualified health professional is eligible for loan repayment assistance for up to a maximum of 4  
20 consecutive years. The total annual loan repayment assistance for an eligible health professional may not exceed  
21 \$3,000. The commissioner of higher education may require an eligible health professional to provide  
22 documentation that the health professional has exhausted repayment assistance from other federal, state, or local  
23 loan forgiveness, discharge, or repayment incentive programs.

24           (3) The commissioner of higher education may remit payment of the loan on behalf of the qualified health  
25 professional in accordance with the requirements of [sections 2 through 7] and policies and procedures adopted  
26 by the commissioner of higher education.

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28        **NEW SECTION. Section 7. Funding -- priorities.** (1) If the funding for [sections 2 through 7] in any  
29 year is less than the total amount for which health professionals qualify, the commissioner of higher education  
30 shall provide preference in the amount of loan repayment assistance to health professionals working in the

1 geographic regions that are most impacted by health professional shortages specified in [section 4].

2 (2) [Sections 2 through 7] may not be construed to require the provisions of loan repayment assistance  
3 without an express appropriation for that purpose. [Sections 2 through 7] may not be construed to require loan  
4 repayment assistance for fiscal years prior to [the effective date of this act].

5 (3) Funding for the health professional loan forgiveness program is statutorily appropriated, as provided  
6 in 17-7-502, from the general fund to the commissioner of higher education for distribution to qualified health  
7 professionals in an amount not to exceed \$1 million each fiscal year.

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9 **NEW SECTION. Section 8. Codification instruction.** [Sections 2 through 7] are intended to be codified  
10 as an integral part of Title 37, chapter 2, part 3, and the provisions of Title 37, chapter 2, part 3, apply to [sections  
11 2 through 7].

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13 **NEW SECTION. Section 9. Effective date.** [This act] is effective July 1, 2007.

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